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Special Analysis

USSR: Decline in Arms Shipments

Soviet arms shipments from Nikolayev Port this year through August fell some 25 percent as compared to the same eight-month period in 1983 and 1984. Most Soviet customers, including Iraq, Cuba, and other major recipients, have taken fewer deliveries. The falloff probably reflects a temporary decline in Soviet military agreements with the Third World in 1983, rather than any disruption caused by construction at Nikolayev.

Virtually all Soviet arms shipments to the Third World leave from Nikolayev—a Black Sea port dedicated solely to the arms trade.

The estimated tonnage of military cargoes exported from Nikolayev also dropped by about 25 percent this year, as compared with 1984. Deliveries of combat aircraft, jet trainer aircraft, artillery, and missile systems have declined substantially, although tank and armored vehicle deliveries appear to have increased since last year. (S NF)

Deliveries by region indicate the decline is not localized. Only a few countries, such as India and Vietnam, have received as much or more Soviet materiel this year as last.

The drop in deliveries comes after a one-year falloff in Soviet military agreements with most Third World buyers in 1983. Identified accords that year totaled only about \$4.5 billion, a five-year low. The number of agreements identified in 1984 rebounded considerably, however, and the pace of deliveries probably will pick up again in 1986.

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**Persian Gulf States Relations
With Communist Countries**

	Diplomatic Ties	Military Ties
Bahrain	None	None
Kuwait	Recognizes USSR, PRC, Cuba, East Bloc, and Asian Communist states	1982 arms sale worth \$320 million to purchase military equipment; <input type="text"/>
Oman	Recognizes PRC, Yugoslavia, Romania, USSR	None
Qatar	None	None
Saudi Arabia	None	None
UAE	Recognizes PRC, Yugoslavia	None

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Top Secret

15 October 1985

Top Secret
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Special Analysis

PERSIAN GULF-
USSR:

Rethinking Relations

The smaller states of the Persian Gulf appear to be reconsidering their previous policy of keeping distance between themselves and the USSR. Oman recognized Moscow last month, joining Kuwait, which has had relations with the USSR for years. Bahrain and the United Arab Emirates probably will follow suit; they believe better relations with Moscow could contribute to stability in the region and improve the prospects for talks between Israel and Arab states. They also probably hope that normalizing relations with Moscow will buy them added protection from Iran.

[redacted]

Oman's willingness to establish ties to the USSR probably has piqued the interest of the other Gulf states in Moscow. The timing of the move to coincide with the Omani Foreign Minister's visit to the US suggests Oman is signaling that the US takes it too much for granted.

[redacted]

The rise in terrorism this summer, expectation of a retaliatory Iranian attack, and a perception of the US seemingly unconditional support for Israel have combined to encourage Gulf leaders to reconsider opening relations with Moscow. Gulf leaders have told US officials of their unhappiness with apparent US support for the raid by Israel on PLO offices in Tunis. The Foreign Minister from Bahrain recently contrasted the inability of the US to influence events in the region with the possibility that the Soviets might be able to play a more effective role.

[redacted]

Next Moves

Senior officials of the Persian Gulf states are beginning to suggest to US officials that relations with the Soviets would balance their ties to the West and that the Soviets might play a useful role in maintaining regional security. Kuwait's Foreign Minister last week urged that Moscow be included in the Arab-Israeli peace process.

[redacted]

Meanwhile, Kuwait's Defense Minister announced last Tuesday that Soviet Defense Minister Sokolov will visit Kuwait in December — although Moscow has not confirmed the visit. Sokolov would be the

continued

Top Secret
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15 October 1985

Top Secret

highest ranking Soviet official to go to Kuwait, and it would be his first official visit to the Third World as Defense Minister. Kuwait is the only one of the conservative Gulf states to have purchased Soviet arms; Sokolov probably will discuss additional arms sales.

Oman and Kuwait probably will raise the issue of relations with Moscow at the summit of Gulf Cooperation Council leaders in Muscat next month. Bahrain and the UAE, in particular, are likely to recognize Moscow, possibly in the next few months.

Implications for the US

Leaders in the vulnerable Persian Gulf states do not want to alter their current relationships with the US and will continue to look for reassurances that the US will protect them if Iran attacks. Even so, they believe relations with the US are risky and hope that recognizing Moscow will provide an additional layer of protection from Iran, Syria, the Palestinians, and pro-Communist factions in the Gulf. The Gulf states will continue to have serious differences with Moscow; they will remain suspicious of its intentions in the Persian Gulf and opposed to the Soviets' occupation of Afghanistan and their support for leftist insurgent groups.

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15 October 1985